NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES

FINANCIAL CONDITION REPORT ON EXAMINATION

OF THE

SENTRY LIFE INSURANCE COMPANY OF NEW YORK

CONDITION:	DECEMBER 31, 2018
DATE OF REPORT:	APRIL 23, 2020

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EXAMINER:	JAMES R. BURCH, CFE

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April 29, 2020

The Honorable Linda A. Lacewell
Superintendent of Financial Services
New York, New York 10004

Madam:

In accordance with instructions contained in Appointment No. 31990, dated July 11, 2019, and annexed hereto, an examination has been made into the condition and affairs of Sentry Life Insurance Company of New York, hereinafter referred to as "the Company," at the home office of its parent, Sentry Life Insurance Company ("SLIC"), located at 1800 North Point Drive, Stevens Point, WI 54481. The Company's home office is located at 220 Salina Meadows Parkway, Suite 255, Syracuse, NY 13212.

Wherever "Department" appears in this report, it refers to the New York State Department of Financial Services.

The report indicating the results of this examination is respectfully submitted.

1. SCOPE OF EXAMINATION

The examination of the Company was a full-scope examination as defined in the National Association of Insurance Commissioners ("NAIC") *Financial Condition Examiners Handbook, 2019 Edition* (the "Handbook"). The examination covers the five-year period from January 1, 2014, to December 31, 2018. The examination was conducted observing the guidelines and procedures in the Handbook and, where deemed appropriate by the examiner, transactions occurring subsequent to December 31, 2018, but prior to the date of this report (i.e., the completion date of the examination) were also reviewed.

The examination was conducted on a risk-focused basis in accordance with the provisions of the Handbook published by the NAIC. The Handbook guidance provides for the establishment of an examination plan based on the examiner's assessment of risk in the insurer's operations and utilizing that evaluation in formulating the nature and extent of the examination. The examiner planned and performed the examination to evaluate the current financial condition as well as identify prospective risks that may threaten the future solvency of the insurer. The examiner identified key processes, assessed the risks within those processes and evaluated the internal control systems and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, evaluating the overall financial statement presentation, and determining management's compliance with New York statutes and Department guidelines, Statutory Accounting Principles as adopted by the Department, and annual statement instructions.

The examination was coordinated and conducted in conjunction with the examination of the Company's parent, SLIC, a Wisconsin life insurance company. The examination was led by the State of Wisconsin, with participation from the states of Illinois and Texas. Since the lead and participating states are all accredited by the NAIC, all states deemed it appropriate to rely on each other's work.

Information about the Company's organizational structure, business approach and control environment were utilized to develop the examination approach. The Company's risks and management activities were evaluated incorporating the NAIC's nine branded risk categories.

These categories are as follows:

- Pricing/Underwriting
- Reserving
- Operational
- Strategic
- Credit
- Market
- Liquidity
- Legal
- Reputational

The Company was audited annually, for the years 2014 through 2018, by the accounting firm of KPMG, LLP. The Company received an unqualified opinion in all years. Certain audit workpapers of the accounting firm were reviewed and relied upon in conjunction with this examination. Sentry Insurance A Mutual Company ("SIAMCO"), the Company's ultimate parent, has an internal audit department and a separate internal control department which was given the task of assessing the internal control structure and compliance with the Model Audit Rule ("MAR"). Where applicable, MAR workpapers and reports were reviewed, and portions were relied upon for this examination.

The examiner reviewed the prior report on examination which did not contain any violations, recommendations, or comments.

This report on examination is confined to financial statements and comments on those matters which involve departure from laws, regulations or rules, or matters which require explanation or description.

2. DESCRIPTION OF COMPANY

A. History

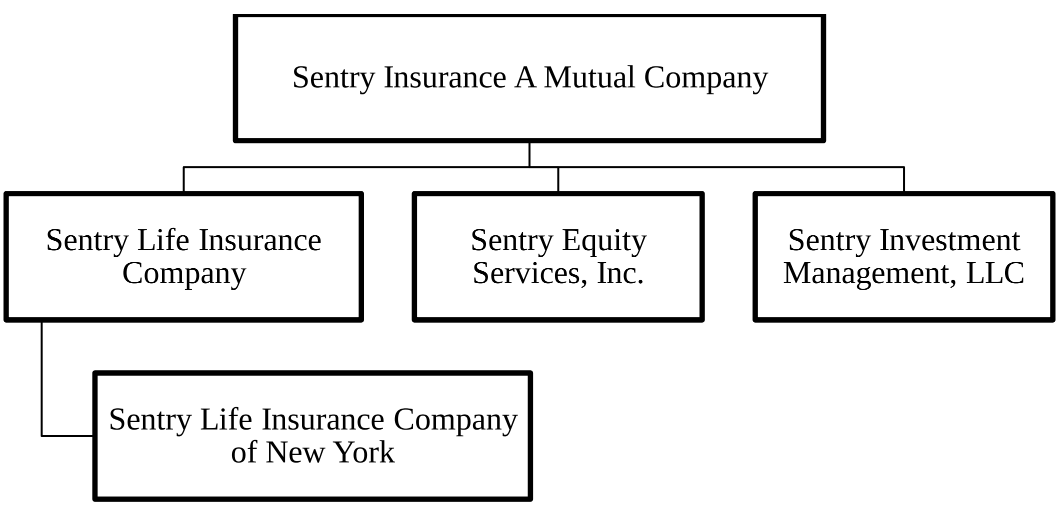
The Company was incorporated as a stock life insurance company under the laws of the State of New York on May 23, 1966, was licensed on January 13, 1967, and commended business on January 27, 1967. Initial resources of $2,000,000, consisting of common capital stock of $500,000 and paid in and contributed surplus of $1,500,000, were provided through the sale of 50,000 shares of common stock (with a par value of $10 each) for $40 per share. In 1976, an additional $2,000,000 was contributed to surplus and, in 1977, capital was increased to $1,000,000 as a result of an additional capital contribution of $500,000. The par value of the common stock was then increased from $10 to $20 per share. In 2008, an additional $3,000,000 was contributed to surplus. All the Company's common shares are outstanding.

B. Holding Company

The Company is a wholly-owned subsidiary of SLIC, a Wisconsin life insurance company. SLIC is, in turn, a wholly-owned subsidiary of SIAMCO, a Wisconsin property and casualty insurance company licensed in New York and the Company's ultimate parent.

C. Organizational Chart

An organization chart reflecting the relationship between the Company and significant entities in its holding company system as of December 31, 2018, follows:



D. Service Agreements

The Company had three service agreements in effect with affiliates during the examination period.

Type of Agreement and Department File Number	Effective Date	Provider of Services	Recipient of Services	Specific Services Covered	Expense* For Each Year of the Examination
Administrative Agreement	12/01/2003	SIAMCO	The Company	Technology and office services, including office space, telecommunications, furniture & equipment, postage and mail delivery; and business services, including legal, claims, accounting and audit, actuarial and compliance, policy and office administration, sales, and advertising	2014 $(837,895) 2015 $(834,496) 2016 $(902,290) 2017 $(1,031,693) 2018 $(996,338)
Principal Underwriter and Distribution Agreement	08/15/2005	Sentry Equity Services, Inc.	The Company	Underwriting and distribution of variable annuity contracts, customer service, reporting required by regulatory authorities	2014 $0** 2015 $0 2016 $0 2017 $0 2018 $0
Investment Advisory Agreement	01/01/2008	Sentry Investment Management, LLC	The Company	Management of investment of assets	2014 $(12,326) 2015 $(11,019) 2016 $(11,639) 2017 $(12,159) 2018 $(14,839)

*Amount of Expense Incurred by the Company
**Fees are generated only when additional purchases are made. The related variable annuity business is in run-off resulting in no fees being generated.

The Company participates in a federal tax allocation agreement with its parent and affiliates.

E. Management

The Company's by-laws provide that the board of directors shall be comprised of not less than 7 and not more than 13 directors. Directors are elected for a period of two or three years at the annual meeting of the stockholders held in May of each year. As of December 31, 2018, the board of directors consisted of seven members. Meetings of the board are held quarterly.

The seven board members and their principal business affiliation as of December 31, 2018, were as follows:

Name and Residence	Principal Business Affiliation	Year First Elected
Dennis R. Cabrey* Manlius, New York	Dentist Medical Center East in East Syracuse, New York	1998
Kip J. Kobussen Plover, Wisconsin	Vice President, Corporate Secretary and General Counsel Sentry Insurance A Mutual Company	2017
Todd M. Schroeder Stevens Point, Wisconsin	President Sentry Life Insurance Company of New York	2017
Larry R. Leatherman* Fayetteville, New York	President Rubenstein Museum of Science & Technology	1995
John D. Marshall* Fayetteville, New York	CPA, Partner Testone, Marshall & Discenza, LLP	1997
Peter G. McPartland Stevens Point, Wisconsin	Chairman of the Board, President and Chief Executive Officer Sentry Insurance A Mutual Company	2011
James E. McDonald Stevens Point, Wisconsin	Vice President and Chief Investment Officer Sentry Insurance A Mutual Company	2017

*Not affiliated with the Company or any other company in the holding company system

The examiner's review of the minutes of the meetings of the board of directors and its committees indicated that meetings were well attended, and that each director attended a majority of meetings.

The following is a listing of the principal officers of the Company as of December 31, 2018:

Name	Title
Todd M. Schroeder	President
Kip J. Kobussen	Vice President and Secretary
Paul M. Gwidt	Treasurer

Wendy S. Whitrock-Keller is the designated consumer services officer per Section 216.4(c) of 11 NYCRR 216 (Insurance Regulation 64).

3. TERRITORY AND PLAN OF OPERATIONS

The Company is authorized to write life insurance, annuities and accident and health insurance as defined in paragraphs 1, 2 and 3 of Section 1113(a) of the New York Insurance Law.

The Company is licensed to transact business in three states, namely Minnesota, New York, and North Dakota. In 2018, 87.6% of life premiums, 99.4% of accident and health premiums, and 99.8% of annuity considerations were received from New York. Policies were written on a non-participating basis through 2016 year-end. In March 1996, the Company received a permit pursuant to Section 4231(f) of the New York Insurance Law to issue participating policies and contracts in New York and began issuing such policies in 1997. The Company currently writes non-participating policies.

A. Statutory and Special Deposits

As of December 31, 2018, the Company had $250,000 (par value) of New York GO 2010 Subseries G-1 bonds on deposit with the State of New York, its domiciliary state, for the benefit of all policyholders, claimants and creditors of the Company.

B. Direct Operations

During the examination period, the Company primarily sold individual life insurance, group life insurance, group accident and health insurance, and group pension products. The individual life line includes whole life and term life insurance products. The group life and health lines include term life, dental, and long-term disability insurance products. The group pension products consist of separate account variable annuity contracts (401(k) plans) used for the purpose of funding pension or profit-sharing .

In January 1999, the Company discontinued writing universal life insurance; in January 2000, the Company exited the small group medical insurance market by non-renewing its remaining business starting with anniversary dates on or after January 1, 2000; and on December 1, 2004, the Company discontinued marketing its individual variable annuity products.

Effective January 1, 2017, the Company discontinued marketing its group life insurance and group accident and health products, while allowing for renewal of the products in 2017 that could continue coverage through 2018.

The Company’s agency operations are conducted through a combination of salaried sales representatives and an independent general agency system.

C. Reinsurance

As of December 31, 2018, the Company had reinsurance treaties in effect with seven companies, of which six were authorized or accredited. The Company’s life business is reinsured on a coinsurance and yearly renewable term bases. Reinsurance is provided on an automatic and facultative basis.

The maximum retention limit for individual life contracts is $50,000. The total face amount of life insurance ceded as of December 31, 2018, was $19,759,084, which represents 40.3% of the total face amount of life insurance in force. Reserve credit taken for reinsurance ceded to unauthorized companies, totaling $11,044, was supported by funds withheld.

4. SIGNIFICANT OPERATING RESULTS

Indicated below is significant information concerning the operations of the Company during the period under examination as extracted from its filed annual statements. Failure of items to add to the totals shown in any table in this report is due to rounding.

The following table indicates the Company's financial growth (decline) during the period under review:

	December 31, 2013	December 31, 2018	Increase (Decrease)
Admitted assets	$72,274,181	$114,674,144	$42,399,963
Liabilities	$61,988,903	$104,337,755	$42,348,852
Common capital stock	$ 1,000,000	$ 1,000,000	$ 0
Gross paid in and contributed surplus	6,500,000	6,500,000	0
Group contingency reserve	54,702	9,720	(44,982)
Special reserve	3,529	0	(3,529)
Unassigned funds (surplus)	2,727,046	2,826,670	99,624
Total capital and surplus	$10,285,277	$ 10,336,390	$ 51,113
Total liabilities, capital and surplus	$72,274,181	$114,674,144	$42,399,963

The majority of the Company's admitted assets (65%), as of December 31, 2018, was derived from separate accounts. The Company's invested assets as of December 31, 2018, exclusive of separate accounts, mainly comprised bonds (94.3%). The majority of the Company's bond portfolio (98.1%), as of December 31, 2018, was comprised of investment grade obligations.

The significant increase in admitted assets was primarily due to the increase in the separate accounts asset balance. During the examination period, the Company's 401(k) business grew substantially from $38,366,206 in 2013 to $74,227,729 in 2018. This growth coupled with favorable equity markets led to the increased separate accounts asset balance.

Similarly, the significant increase in liabilities was primarily due to an increase in the separate accounts liability balance. During the examination period, the Company's 401(k) business grew substantially from $38,227,611 in 2013 to $73,453,775 in 2018. This growth coupled with favorable equity markets led to the increased separate accounts liability balance.

The following indicates, for each of the years listed below, the amount of life insurance issued and in force by type (in thousands of dollars):

	Individual Whole Life		Individual Term		Group Life	
Year	Issued	In Force	Issued	In Force	Issued & Increases	In Force
2014	$ 100	$43,469	$1,000	$13,977	$ 630	$12,403
2015	$ 175	$41,144	$6,670	$19,797	$ 666	$12,534
2016	$ 550	$38,211	$1,250	$16,898	$ 1,857	$12,169
2017	$ 988	$37,038	$1,270	$16,111	$ 0	$ 5,639
2018	$ 227	$34,299	$ 350	$14,565	$ 0	$ 197

The significant increase in the amount of individual whole life insurance issued in 2016 and 2017, compared with other years under examination, was the result of six large new policies issued in 2016 and thirteen new policies issued in 2017, compared with only three newly issued policies in 2015 and seven newly issued policies in 2018.

The significant increase in the amount of individual term insurance issued in 2015, compared with other years under examination, was the result of eleven new policies issued during the year, of which three were in excess of $1 million. The significant increase in the amount of group life insurance issued and increases in 2016 was due to six new policies issued during the year, of which one was for $1 million, compared with only three new policies issued in 2014 and four new policies issued in 2015.

On January 1, 2017, the Company exited the group life insurance market, which resulted in no new issues and a significant reduction in the in force group life insurance in 2017 and 2018.

The following has been extracted from the Exhibits of Accident and Health Insurance in the filed annual statements for each of the years under review:

	Group				
	2014	2015	2016	2017	2018
Outstanding, end of previous year	170	113	48	43	24
Issued during the year	7	0	0	0	0
Other net changes during the year	(64)	(65)	(5)	(19)	(24)
Outstanding, end of current year	113	48	43	24	0

On January 1, 2017, the Company exited the group accident and health market, which resulted in no new issues and a significant reduction in the group accident and health insurance issued and outstanding in 2017 and 2018.

The following is the net gain (loss) from operations by line of business after federal income taxes but before realized capital gains (losses) reported for each of the years under examination in the Company's filed annual statements:

	2014	2015	2016	2017	2018
Ordinary:					
Life insurance	$358,942	$ 388,164	$255,286	$117,552	$154,168
Individual annuities	(83,770)	(114,859)	(2,432)	(11,168)	(8,319)
Supplementary contracts	7,545	7,611	(78)	198	291
Total ordinary	$282,717	$ 280,916	$252,776	$106,582	$146,140
Group:					
Life	$19,342	$51,162	$ (29,991)	$ (28,977)	$(22,419)
Annuities	80,640	(4,351)	209,983	294,826	490,200
Total group	$ 99,982	$ 46,811	$179,992	$265,849	$467,781
Accident and health:					
Group	$167,333	$ 148,646	$ (58,560)	$ (76,486)	$ (39,604)
Other	6,414	(15,374)	(2,983)	5,287	114
Total accident and health	$173,747	$ 133,272	$ (61,543)	$ (71,199)	$ (39,490)
Total	$556,454	$ 460,997	$371,225	$301,232	$574,431

The decrease in net gains from ordinary life insurance in 2016, 2017 and 2018, compared with 2015 and 2014, was due to the increase in death benefits between the years. The number of claims were consistent between years, however; the death benefits in 2016, 2017, and 2018 were respectively $584,634, $683,544, and $516,490, compared with $294,203 in 2015 and $360,597 in 2014.

The decrease in net losses from individual annuities in 2016, compared with 2015, was due to the change in the Company's method of allocating its net investment income during the year from the Investment Year Method to the Mean Policy Reserve Method.

The significant increase in net gains from group life insurance in 2015, compared with 2014, was mainly due to terminating $30,000 in reserves for the death of three individual's lives in 2015 inadvertently reported as group's lives. The decrease in 2016 was due to a $30,000 increase in group life aggregate reserves in 2016 that resulted from prior year error and a $47,026 in group death benefit payments during the year.

The decrease in net gains from group annuities in 2015, compared with 2014, was due to three large 401(k) plans being terminated in 2015 and the positive market value adjustment shared with the plans, resulting in the reduction of the service income of the Company.

The significant increases in net gains from group annuities in 2016, compared with 2015, was due to negative service income, arising from market value adjustments in 2015. The underlying assets for the three large 401(k) plans that were terminated in 2015 were sold and the gains were shared with the plans, resulting in a charge to service income.

The increase in net gains from group annuities in 2018, compared with 2017, was due to increases in wrap fees and investment income and a decrease in commission expense because of a lower premium level.

The steady losses from group accident and health line of business in 2016, 2017 and 2018, compared with 2014 and 2015, were primarily due to a change in the Company's investment allocation method in 2016, which resulted in sharp decreases in the amount of investment income allocated to the group accident and health line.

The following ratios, applicable to the accident and health business of the Company, have been extracted from Schedule H for each of the indicated years:

	2014	2015	2016	2017	2018
Premiums earned	100.0%	100.0%	100.0%	100.0%	100.0%
Incurred losses	35.9%	65.5%	46.0%	11.3%	26.9%
Commissions	4.6	10.7	10.9	33.9	4.8
Expenses	108.7%	169.6%	201.3%	255.3%	389.7%
Underwriting results	(49.3)%	(145.8)%	(158.2)%	(200.5)%	(321.4)%

The increase in the incurred losses ratio in 2015, compared with 2014, was due to a $58,983 decrease in dental earned premiums during the year compared with $100,290 in 2014. Dental claims incurred during the two years remained about the same. The decreases in 2016 and 2017 were due to decreases in incurred loss amounts of $24,958 in 2016 and $4,616 in 2017, compared with $39,119 in 2015.

The increase in the incurred losses ratio in 2018, compared with 2017, was due to a $15,572 decrease in earned premiums in 2018, compared with $40,067 in 2017. Dental claims incurred during the two years remained about the same as the accident and health line of business continued to run-off.

The significant increase in commissions in 2017 was due to the allocation of commissions overrides for the retirement plan specialists and the large increase in the amount of premiums for 401(k) plans, which resulted in a portion of the overrides allocated to the group accident and health business line. Although the Company exited the accident and health line of business on January 1, 2017, the allocation of commission expense for the year was determined during the prior year. Commissions in 2018 decreased significantly because no overrides were allocated to the accident and health business line, particularly as the line of business continued to run-off.

The steady and significant increase in expense ratios during the examination period was primarily due to the steady decrease in group accident and health premiums each year that resulted from the Company’s decision to cease writing group accident and health insurance effective January 1, 2017.

5. FINANCIAL STATEMENTS

The following statements show the assets, liabilities, capital and surplus as of December 31, 2018, as contained in the Company's 2018 filed annual statement, a condensed summary of operations and a reconciliation of the capital and surplus account for each of the years under review. The examiner's review of a sample of transactions did not reveal any differences which materially affected the Company's financial condition as presented in its financial statements contained in the December 31, 2018, filed annual statement.

A. Independent Accountants

The firm of KPMG, LLP was retained by the Company to audit the Company's combined statutory basis statements of financial position as of December 31 of each year in the examination period, and the related statutory-basis statements of operations, capital and surplus, and cash flows for the years then ended.

KPMG, LLP concluded that the statutory financial statements presented fairly, in all material respects, the financial position of the Company at the respective audit dates. Balances reported in these audited financial statements were reconciled to the corresponding years' annual statements with no discrepancies noted.

B. Net Admitted Assets

Bonds	$ 37,535,920
Cash, cash equivalents and short-term investments	1,748,042
Contract loans	512,563
Investment income due and accrued	460,484
Premiums and considerations:	
Uncollected premiums and agents' balances in the course of collection	984
Deferred premiums, agents' balances and installments booked but deferred and not yet due	49,314
Current federal and foreign income tax recoverable and interest thereon	75,589
Net deferred tax asset	63,519
From separate accounts, segregated accounts and protected cell accounts	$ 74,227,729
Total admitted assets	$114,674,144

C. Liabilities, Capital and Surplus

Aggregate reserve for life policies and contracts	$ 27,960,632
Aggregate reserve for accident and health contracts	173
Liability for deposit-type contracts	13,761
Contract claims:	
Life	94,358
Accident and health	44
Provision for policyholders' dividends and coupons payable in following calendar year – estimated amounts	
Dividends not yet apportioned	448
Contract liabilities not included elsewhere:	
Surrender values on cancelled contracts	19,996
Other amounts payable on reinsurance	1,759
Interest maintenance reserve	63,396
Transfers to separate accounts due or accrued	509
Taxes, licenses and fees due or accrued, excluding federal income taxes	156,040
Amounts withheld or retained by company as agent or trustee	617
Remittances and items not allocated	305,740
Miscellaneous liabilities:	
Asset valuation reserve	200,396
Funds held under reinsurance treaties with unauthorized reinsurers	100,000
Payable to parent, subsidiaries and affiliates	1,961,962
Escheat Funds	4,144
Interest on policy loans	5
From Separate Accounts statement	73,453,775
Total liabilities	$104,337,755
Common capital stock	1,000,000
Gross paid in and contributed surplus	6,500,000
Group contingency reserve	9,720
Unassigned funds (surplus)	2,826,670
Surplus	$ 9,336,390
Total capital and surplus	$ 10,336,390
Total liabilities, capital and surplus	$114,674,144

D. Condensed Summary of Operations

	2014	2015	2016	2017	2018
Premiums and considerations	$7,454,251	$12,130,056	$14,007,205	$34,335,214	$16,611,682
Investment income	1,762,446	1,665,933	1,684,493	1,722,634	1,724,156
Net gain from operations from Separate Accounts	0	0	0	107	0
Commissions and reserve adjustments on reinsurance ceded	4,678	24,423	4,717	4,746	4,002
Miscellaneous income	497,141	251,288	446,048	559,038	626,854
Total income	$9,718,516	$14,071,700	$16,142,463	$36,621,739	$18,966,694
Benefit payments	$5,162,553	$14,140,591	$ 8,807,697	$17,085,760	$11,109,347
Increase in reserves	959,068	(923,056)	799,221	1,943,249	2,124,196
Commissions	109,458	150,701	151,745	227,283	172,494
General expenses and taxes	1,037,255	1,013,758	1,080,557	1,197,846	1,184,307
Increase in loading on deferred and uncollected premiums	(337)	2,524	(998)	225	(584)
Net transfers to (from) Separate Accounts	1,660,907	(909,042)	4,801,422	15,830,249	3,853,299
Total deductions	$8,928,904	$13,475,476	$15,639,644	$36,284,612	$18,443,059
Net gain (loss) from operations	$ 789,612	$ 596,224	$ 502,819	$ 337,127	$ 523,635
Dividends	393	431	464	475	432
Federal and foreign income taxes incurred	232,766	134,796	131,131	35,421	(51,228)
Net gain (loss) from operations before net realized capital gains	$ 556,453	$ 460,997	$ 371,224	$ 301,231	$ 574,431
Net realized capital gains (losses)	(16,026)	(60,888)	(425)	(8,686)	(60,832)
Net income	$ 540,428	$ 400,109	$ 370,801	$ 292,546	$ 513,599

The increase in premiums and considerations in 2015, compared with 2014, was due to a small increase in ordinary individual annuities and a large increase in group annuities during the year. Also, the significant increase in premiums and considerations in 2017, compared with 2016, resulted from an increase in some large 401(k) plans and an increase in individual annuities due to rollovers from 401(k) plans during 2017.

Premiums and considerations decreased significantly in 2018, compared with 2017, because the year did not experience the same favorable increases it did in 2017; rather, the year was a typical year for 401(k) plans.

The significant increase in benefit payments in 2015, compared with 2014, resulted from terminating three large 401(k) plans during the year and labeling such distributions as benefit payments. Similarly, the significant increase in benefit payments in 2017 resulted from terminating four large 401(k) plans during the year and also labeling such distributions as benefit payments.

The significant fluctuation in the increase in reserves during the examination period resulted from the termination of three large 401(k) plans in 2015, which resulted in the takedown of applicable general account reserves; the termination of fewer plans in 2016 compared with 2015, which resulted in a positive increase in applicable general account reserves; and the addition of a few large 401(k) plans in 2017, which resulted in an increase to the corresponding applicable general account reserves.

The significant fluctuation in net transfers to (from) separate accounts during the examination period resulted from the termination of three large 401(k) plans in 2015, which resulted in more funds coming out of the separate accounts in order to liquidate the plans; the termination of fewer plans in 2016 compared with 2015, which allowed for more funds to be transferred to the separate accounts; the large amount of group annuity premiums collected in 2017 compared with 2016, which resulted in a larger amount to be transferred to the separate accounts; and fact that the amount of group annuity premiums collected in 2018 was only about half of that of 2017, which resulted in fewer amounts available to be transferred to the separate accounts.

E. Capital and Surplus Account

	2014	2015	2016	2017	2018
Capital and surplus, December 31, prior year	$10,285,277	$10,323,774	$10,248,536	$10,133,040	$10,098,278
Net income	$ 540,428	$ 400,109	$ 370,801	$ 292,546	$ 513,599
Change in net deferred income tax	4,493	5,221	1,353	(88,583)	22,653
Change in non-admitted assets and related items	(2,307)	19,789	(8,573)	40,551	3,196
Change in asset valuation reserve	(9,638)	6,075	(51,467)	(22,907)	17,930
Surplus (contributed to), withdrawn from Separate Accounts during period	(184,513)	(3,141)	(33,146)	(158,885)	(209,725)
Other changes in surplus in Separate Accounts statement	190,034	(3,292)	55,537	202,516	190,458
Dividends to stockholders	(500,000)	(500,000)	(450,000)	(300,000)	(300,000)
Net change in capital and surplus for the year	38,497	(75,238)	(115,496)	(34,762)	238,111
Capital and surplus, December 31, current year	$10,323,774	$10,248,536	$10,133,040	$10,098,278	$10,336,390

6. SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus—COVID-19—was reported in Wuhan, China. The virus has subsequently spread to other parts of the world, including the United States. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, and on March 13, 2020, President Donald J. Trump declared the pandemic a national emergency. The COVID-19 pandemic has disrupted the United States' economy and caused extreme volatility in the financial markets globally in an unprecedented manner.

The extent to which COVID-19 may affect the Company's financial condition or results of operations will depend on future developments, including the duration, spread, and intensity of the pandemic. The extent of these future developments is uncertain and not readily determinable as of the date of this report, considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall effect of COVID-19 on the Company's business.

The Department, along with all insurance regulators and the NAIC, is closely monitoring the evolving situation and the insurance industry through a coordinated effort to assess the effect of the pandemic on various types of insurance, individual insurers, and the insurance industry as a whole.

Respectfully submitted,

James R. Burch, CFE
Eide Bailly, LLP

Nevada
STATE OF ~~NEW YORK~~)
Washoe)SS:
COUNTY OF ~~NEW YORK~~)

James R. Burch, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

James R. Burch

Subscribed and sworn to before me

this 27th day of April 2020

Karina V.C

KARINA VELAZQUEZ CARO
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 04-15-2023
Certificate No: 19-2269-2

Respectfully submitted,

/s/
Vincent Targia
Principal Insurance Examiner

STATE OF NEW YORK)
)SS:
COUNTY OF NEW YORK)

Vincent Targia, being duly sworn, deposes and says that the foregoing report, subscribed by him, is true to the best of his knowledge and belief.

/s/
Vincent Targia

Subscribed and sworn to before me

this__________ day of ___________________

APPOINTMENT NO. 31990

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

I, LINDA A. LACEWELL, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:

JAMES R. BURCH
(EIDE BAILLY, LLP)

as a proper person to examine the affairs of the

SENTRY LIFE INSURANCE COMPANY OF NEW YORK

and to make a report to me in writing of the condition of said

COMPANY

with such other information as he shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name and affixed the official Seal of the Department at the City of New York

this 11th day of July, 2019

LINDA A. LACEWELL
Superintendent of Financial Services

By:

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU